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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

MESA AIR GROUP, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 10-10018 (MG)

(Jointly Administered)

**DEBTORS' FIRST NOTICE OF INTENT TO REJECT LEASES RELATING
TO CERTAIN AIRCRAFT ENGINES PURSUANT TO DEBTORS' PROCEDURES
SET FORTH IN AMENDED ORDER ENTERED ON FEBRUARY 24, 2010
(RE: WILLIS LEASE FINANCE CORPORATION, LESSOR, AND WELLS FARGO
BANK NORTHWEST, N.A., OWNER TRUSTEE AS TO CERTAIN ENGINES)**

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the "Debtors") hereby give notice to (a) the lessors and owner trustees set forth on Exhibit 1 annexed hereto (the "Aircraft Parties") of the Debtors' intent to reject those certain leases (the "Leases") for the aircraft engines as identified in Exhibit 1 (the "Excess Leased Equipment").

PLEASE TAKE FURTHER NOTICE that, on February 23, 2010, the Bankruptcy

¹ The Debtors are: Mesa Air Group, Inc. (2351); Mesa Air New York, Inc. (3457); Mesa In-Flight, Inc. (9110); Freedom Airlines, Inc. (9364); Mesa Airlines, Inc. (4800); MPD, Inc. (7849); Ritz Hotel Management Corp. (7688); Regional Aircraft Services, Inc. (1911); Air Midwest, Inc. (6610); Mesa Air Group Airline Inventory Management, LLC (2015); Nilchi, Inc. (5531); and Patar, Inc. (1653).

Court entered its *Order (I) Authorizing Debtors to (A) Reject Leases Relating to Certain Aircraft and Other Related Equipment, (B) Abandon Certain Aircraft, Engines, and Other Related Equipment, (C) Transfer Title to Certain Aircraft, Engines, and Other Related Equipment, and (D) Satisfy the Surrender and Return Requirements Under the Bankruptcy Code, and (II) Approving Related Notices and Procedures* (the “Order”),² a copy of which is available upon request from the Debtors’ counsel and which is also available for review on www.epiq11.com (follow “All Active Cases” and “Mesa Air Group, Inc.” links). All capitalized terms not defined herein have the meaning ascribed to them in the Order. This Notice is being provided to you in accordance with the Order as a Subsequent Rejection/Abandonment Notice.

PLEASE TAKE FURTHER NOTICE that unless an affected Aircraft Party timely objects to this Notice and the proposed Lease rejection and related surrender and return of the Excess Leased Equipment, the rejection of the Lease will be effective as of March 8, 2010 (the 8th business day after the filing and service hereof) (the “Deemed Effective Date”), without need of any further Court order or additional notice, subject to the rights to object as set forth in the Order, and as of the Deemed Effective Date, the applicable Aircraft Party may take possession of the Excess Leased Equipment at the location(s) set forth on Exhibit 1; *provided, however*, if any affected Aircraft Party wishes to object to the rejection of the applicable Lease or return of the applicable Excess Leased Equipment, such affected party must file and serve such objection in accordance with the following procedures:

(a) The Debtors’ rejection of the applicable Lease pursuant to this Notice will be effective as of the Deemed Effective Date, without the need of any further order or notice, if no objection thereto is filed with the Court and served so as to be received by 4:00 p.m. (prevailing Eastern Time) on the 7th business day after the filing and service of this Notice, on (i) the United States Bankruptcy Court of the Southern District of New York, One Bowling Green, New York, New York 10004, (ii) the Office of the United States Trustee for the Southern

² On February 24, 2010, the Debtors filed with the Court an amended exhibit A-2 to the Order.

District of New York (the “OUST”), 33 Whitehall Street, 21st Floor, New York, New York 10004, (iii) Pachulski Stang Ziehl & Jones LLP, 150 California Street, 15th Floor, San Francisco, California 94111 (Attn: Debra I. Grassgreen and Joshua M. Fried), and Pachulski Stang Ziehl & Jones LLP, 780 Third Avenue, 36th Floor, New York, New York 10017 (Attn: Maria A. Bove), attorneys for the Debtors, (iv) Mesa Air Group, Inc., Law Department 410 N. 44th St. Suite 700, Phoenix, Arizona 85008, (Attn: Brian S. Gillman, Esq.), and (v) proposed counsel to the Committee, Morrison & Foerster, 1290 Avenue of the Americas, New York, New York 10104 (Attn: Brett H. Miller) (“Committee Counsel”) (collectively, the “Notice Parties”).

(b) If a timely objection is filed and served, the effective date of rejection will be (i) the originally proposed Effective Date if the objection is overruled or withdrawn or (ii) such other date as determined by the Bankruptcy Court after a hearing on the objection. Further, the Court may adjust the Effective Date in accordance with the procedures set forth in paragraph 2 of the Order on account of the Enumerated Matters (as such term is defined in the Order) or any other breach of the Order

(c) A hearing on any objection to this Notice will be held on the next scheduled omnibus hearing date in the Debtors’ cases, provided that the objecting party is provided by the Debtors at least five (5) business days’ prior written notice of such hearing date and time, and provided further that the foregoing is without prejudice to the Debtors and/or objecting party to move for an expedited hearing (on less than five (5) business days’ notice).

(d) The Debtors must file and serve on the objecting party, the OUST and the Committee Counsel any reply to any objection at least two (2) business days prior to the scheduled hearing.

PLEASE TAKE FURTHER NOTICE that paragraphs 2 and 9 of the Order set forth important deadlines regarding the assertion of claims and rights.

Dated: February 24, 2010
New York, New York

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Debra I. Grassgreen

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Attorneys for Debtors and Debtors in Possession

EXHIBIT 1

Leases for Listed Excess Leased Equipment to Be Rejected on Deemed Effective Date

INDEX

Counterparties and other parties in interest should locate their names in the index below and refer to the listed page(s) of the attached exhibit. Parties in interest should review the exhibit in its entirety out of an abundance of caution.

<u>Applicable Counterparty and Other Parties in Interest:</u>	<u>Page of attached Exhibit 1:</u>
Wells Fargo Bank Northwest, N.A.....	1
Willis Lease Finance Corporation	1, 2

Item No.	Lessors and Other Related Party Addresses	Lessee/Debtor	Airframe Mfr. & Model	Mfr. Serial Number	U.S. Reg. No.	Engines Manufacturer, Model & Serial Number	Deemed Effective Date and Proposed Return Location
1	<u>Lessor:</u> Willis Leasing Finance Corporation 773 San Marin Drive Suite 2215 Novato, CA 94998 Telephone: (415) 408-4700 Fax: (415) 408-4701	Mesa Air Group, Inc.	ER4			Allison – Model: AE300-7A1; SN 311498	March 8, 2010; 525 Airport Rd, Hangar A14 Hot Springs, AR 71913
2	<u>Lessor</u> Willis Lease Finance Corporation 2320 Marinship Way, Suite 300 Sausalito, CA 94965 Attn: General Counsel Tele 415-311-5281 Fax 415-311-5167 <u>Owner Trustee</u> Wells Fargo Bank Northwest, N.A. 299 South Main St. 12th Floor Salt Lake City, UT 84111 Attn: Corporate Trust Department Tel: (801) 246-5607 Fax: (801) 246-5053	Mesa Air Group, Inc.	ER4			Allison - Model: AE300-7A1; SN: 312234	March 8, 2010; 525 Airport Rd, Hangar A14 Hot Springs, AR 71913
3	<u>Lessor</u> Willis Lease Finance Corporation 2320 Marinship Way, Suite 300 Sausalito, CA 94965 Attn: General Counsel Tele 415-311-5281 Fax 415-311-5167 <u>Owner Trustee</u> Wells Fargo Bank Northwest, N.A. 299 South Main St. 12th Floor Salt Lake City, UT 84111 Attn: Corporate Trust Department Tel: (801) 246-5607 Fax: (801) 246-5053	Mesa Airlines, Inc.	CR9			General Electric - Model: CF34-8C5 SN: 194264	March 8, 2010; 525 Airport Rd, Hangar A14 Hot Springs, AR 71913

Item No.	Lessors and Other Related Party Addresses	Lessee/Debtor	Airframe Mfr. & Model	Mfr. Serial Number	U.S. Reg. No.	Engines Manufacturer, Model & Serial Number	Deemed Effective Date and Proposed Return Location
4	Lessor Willis Lease Finance Corp 773 San Marin Drive, Suite 2215 Novato, California 94998 Attn: General Counsel Phone (415) 408-4700 Fax (415) 408-4702	Mesa Airlines, Inc.	D8			Pratt & Whiney Canada - Model: PW123 SN: 123005	March 8, 2010; 525 Airport Rd, Hangar A14 Hot Springs, AR 71913
5	Lessor Willis Lease Finance Corp 773 San Marin Drive, Suite 2215 Novato, California 94998 Attn: General Counsel Phone (415) 408-4700 Fax (415) 408-4703	Mesa Airlines, Inc.	D8			Pratt & Whitney Canada - Model: PW123 SN: AG0074	March 8, 2010; 525 Airport Rd, Hangar A14 Hot Springs, AR 71913